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were motivated in part by economic incentives driven by regulatory advantage, with its future capabilities.[15] For example, GCI argues that it oftentimes has trouble contacting a residential customer to install its equipment.[16] This is a difficulty of the past. Customer visits are often no longer required to install GCI's equipment now that GCI has moved to customer-powered MTAs. The customer-powered MTAs can be attached to the cable in the house by the customer in the same fashion that a cable modem is installed. Earlier, GCI used line-powered modems that required that a technician visit the customer site. It also may be the case that GCI has a financial incentive to convert residential customers to DLPS at a much higher rate than business customers. GCI incurs capacity costs, both at the headend and in the cable plant, on the basis of telephone traffic volume. Therefore, converting low-usage residential consumer imposes lower capacity costs than does converting a high-usage business customer. The fact that GCI converted only **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of its business lines to its own facilities in 2 years[17] does not mean that this is or will remain the maximum amount that is commercially feasible.

GCI Mischaracterizes the Obstacles It Faces in Serving Business Customers

8. First, GCI asserts that enterprise solutions for cable plant are "only now being developed."[18] In reality, systems for delivering DS1s over coax have existed for decades. The efficient role of coax today is similar to that of copper wire pairs—to provide last-mile connectivity from the fiber network to locations that lack sufficient traffic to justify a fiber

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[15] *See, e.g.*, GCI Nov. 14 *Ex Parte* 2, 6-7.

[16] GCI Nov. 14 *Ex Parte* 15.

[17] *Id.* at 6.

[18] GCI Oct. 27 *Ex Parte* Attachment 2.

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connection. The current generation of DS1-over-coax products are designed to meet the connectivity needs of larger small businesses and smaller large businesses—providing services at locations that need more than a few voice lines but cannot quite justify installation of fiber.

9. GCI omits the fact that fiber is a better choice for many enterprise solutions than is coax—hence, there is little incentive to develop products that permit using coax to connect to **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**. Fortunately for GCI, its well-developed fiber network significantly increases its ability to serve business customers. In fact, GCI's analysis shows that it would need to serve at most **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of its DS1 demand over HFC facilities; the remainder can be economically provided over fiber.[19]

10. The additional obstacles cited by GCI can be easily fixed and are specific to its own network. Continued UNE access will not help GCI solve any of these small problems. First, if GCI's cable plant lacks sufficient upstream capacity for high-capacity business services,[20] that deficiency results from GCI's design choices—not fundamental limits. GCI may have to split some nodes and otherwise improve their network in order to accommodate a greater volume of business traffic. But, such actions are a normal part of doing business.

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[19] Zarakas Ex. VIII. As discussed above with respect to Zarakas Exhibit IX, most of the results in Exhibit VIII are presented in terms of business locations, not lines. Based on the number of DS0 equivalents in Exhibit VIII, **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of DS1 circuits that can be served on GCI's fiber plant. The remaining **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of DS-1 circuit demand would need to be served by HFC or some other technology.

[20] GCI Nov. 14 *Ex Parte* 10.

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11. Second, GCI's inability to offer multiline hunt services is a result of a **[BEGIN CONFIDENTIAL]**

[END CONFIDENTIAL].

12. Third, GCI also asserts that many small business legacy key systems and PBXs are incompatible with its cable telephony service because they use ground-start or wink-start signaling rather than loop start signaling.[22] GCI ignores the fact that **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**.[23] Of course, if GCI cannot serve these customers because **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**.

13. Fourth, GCI states that it has difficulty serving businesses via cable plant because the businesses are reluctant to divulge the intended use of the services.[24] This a problem that neither ACS nor the FCC can rectify. GCI can easily develop a solution to this problem, however, such as offering a menu of generalized service choices to their customers.

14. Fifth, GCI exaggerates the incompatibility of alarm companies and cable telephony.[25] For example, GCI states, **[BEGIN CONFIDENTIAL]**

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[21] Wolf Decl. ¶ 8 (**[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**).

[22] GCI Nov. 14 *Ex Parte* 6.

[23] *See, e.g.*, **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**.

[24] GCI Nov. 14 *Ex Parte* 10.

[25] *Id.* at 15; GCI Oct. 27 *Ex Parte* Attachment 2.

[26] GCI Nov. 14 *Ex Parte* 6.

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[END CONFIDENTIAL]. After examining that web site, I telephoned **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** and was told that GCI's digital local phone service was on **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** in Anchorage.

15. That is, although GCI cites **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** in support of the proposition that alarm systems are incompatible with cable systems, GCI has, in fact, satisfied **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**. Although there may be other alarm systems that are not compatible with GCI's system, such as the **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**. Such systems should work with GCI's DLPS telephone service just as **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**.

Available Technologies Provide GCI with Alternatives to ACS UNEs.

16. As discussed in my prior statements, technology for DS-1 service over HFC plant provides GCI with additional means of serving business customers on its cable plant.[27] As GCI points out, Cable Labs released two "Business Services over DOCSIS" standards this summer alone.[28] This development builds on the cable-based DS1 technologies that have been available for many years.

17. GCI's assertion that it is deploying these alternative solutions as soon as they are available[29] appears to be incorrect. As my statements in this record have repeatedly shown, the solutions *are* available. In addition to the examples provided earlier in the record, earlier this

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[27] *See, e.g.*, Statement of Charles L. Jackson in Support of Petition of ACS of Anchorage, Inc. for Forbearance From Sections 251(c)(3) and 252(d)(1) ¶¶ 14-16, *Reply Comments of ACS of Anchorage, Inc., In Support of Its Petition for Forbearance from Section 251(c)(3) and 252(d)(1)*, WC Docket No. 05-281 (filed Feb. 23, 2006), attached thereto as Exhibit E.

[28] GCI Oct. 27 *Ex Parte* Attachment 4.

[29] GCI Oct. 27 *Ex Parte* Attachment 4.

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year, Cox Communications signed a contract to purchase approximately one-half million dollars worth of T-1 equipment for HFC cable systems from Yyyo.[30] Cox Business Systems offers a wide range of data services to small businesses—in Northern Virginia Cox offers digital trunk service—providing DS-0 and DS-1 connectivity and supporting loop-start and ground-start signaling.[31] GCI is choosing to deploy such technologies, or not deploy them, at its convenience and, no doubt recognizes that by delaying their utilization, it can strengthen the case for it continue to rely on ACS UNEs. Also, as I observed above, the **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** of GCI's DS-1 demand is economically served using fiber—the issue of DS-1s over HFC is relatively minor in the grand scheme of telecommunications competition in Anchorage.

18. In conclusion, GCI's analysis of its coverage is flawed and incomplete and thus, is fundamentally misleading. GCI generates artificially low numbers by focusing on one type of facility at a time, discounting the technological alternatives available, applying an irrelevant multiplier to the percentage of customer locations its network passes, and treating business locations, not lines, as the measure of market size. GCI continues to cite insignificant obstacles to serving customers to argue that it is unable to serve customers using its own facilities. An analysis based on GCI's complete range of facilities, as well as the technologies appropriately suited to each customer location, would show that GCI has ample alternatives to ACS's UNEs.

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[30] *See* http://www.cedmagazine.com/article/CA6317259.html.

[31] *See* http://www.coxbusiness.com/systems/va_northernvirginia/; http://www.coxbusiness.com/pdfs/DigitalTrunk_DS0306.pdf. Cox offers several caveats on these services including (1) Cable Telephone modem equipment must be installed at the customer premises and (2) loop-start signaling is not available at all locations.

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Respectfully submitted,

/s/ *Charles L. Jackson*
Charles L. Jackson
5210 Edgemoor Lane
Bethesda, MD 20814

Exhibit B

DECLARATION OF THOMAS R. MEADE

I, Thomas R. Meade, under penalty of perjury, hereby make the following declarations. I understand that this Declaration will be submitted to the Federal Communications Commission.

1. I am Vice-President for Carrier Markets and Economic Analysis for Alaska Communications Systems Group, Inc., parent of ACS of Anchorage, Inc.

2. I have reviewed the foregoing *Ex Parte* Submission in connection with the Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended, for Forbearance from Section 251(c)(3) and 252(d)(1) in the Anchorage LEC Study Area (WC Docket No. 05-281). I certify that the facts set forth in the *Ex Parte* Submission regarding (i) the ownership by ACS of Anchorage, Inc. of inside wire facilities at Anchorage airport, and (ii) the description of the services and competitive conditions in the Elmendorf and Fort Richardson military bases, are true and correct to the best of my knowledge.

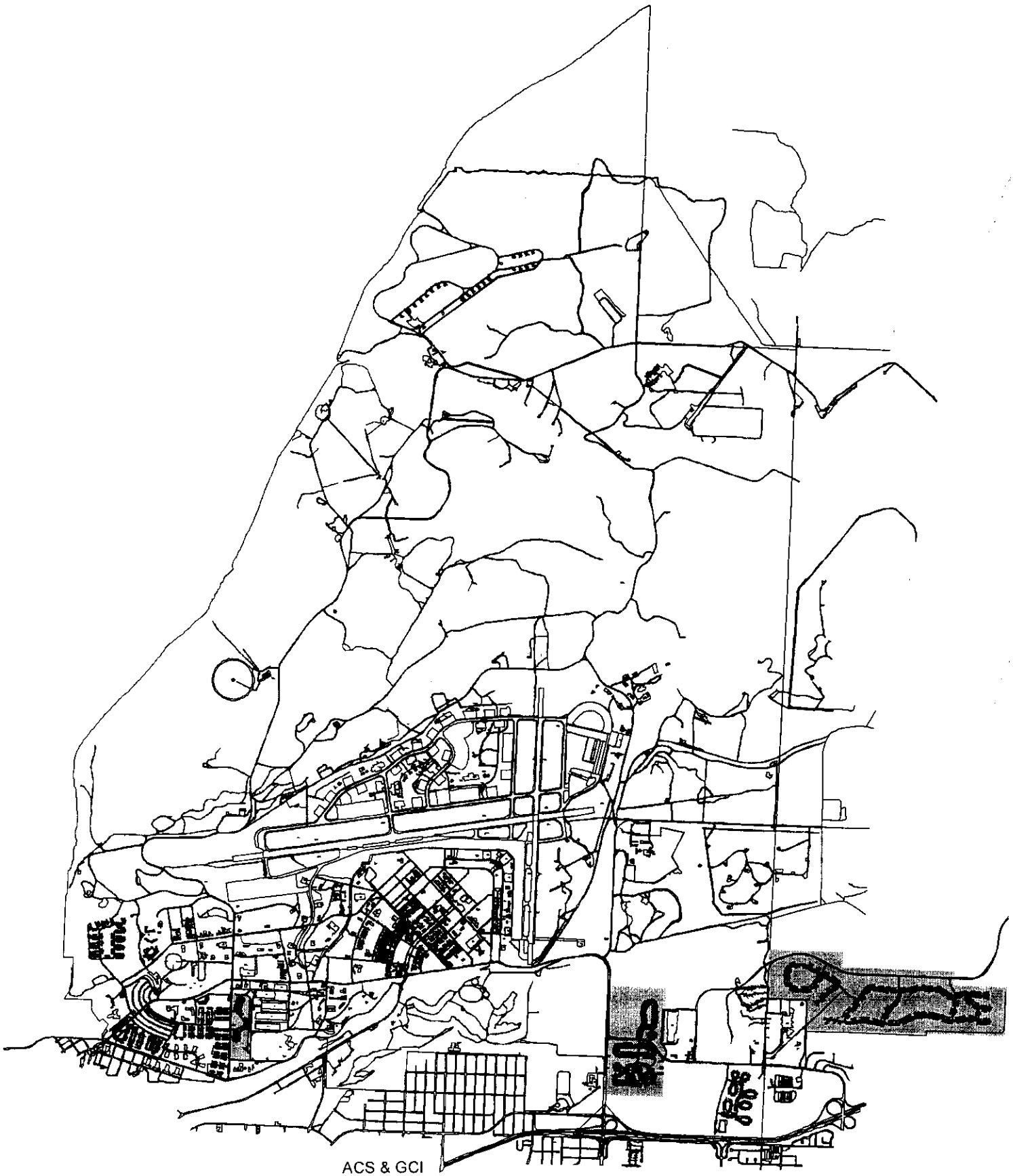
Thomas R. Meade

Executed November 29, 2006

Exhibit C

Fort Richardson

Elmendorf


ACS & GCI
GCI ONLY